

From the Director's desk

We are delighted to present to you the third issue of the CICDC Newsletter, reporting on the capacity development activities of the China-IMF Capacity Development Center (CICDC) during the second half of 2024. In collaboration with the IMF and various Chinese government agencies, we have organized 10 courses/workshops on the subjects on banking supervision, financial markets, inclusive growth, financial regulation, bank restructuring and resolution, tax law, statistics, and debt sustainability. In preparation towards the next fiscal year's work plan, we also conducted a series of outreach meetings with Chinese government counterparts to learn their needs in capacity development, and to listen to their suggestions on what CICDC could offer. I also have the great pleasure to introduce Ms. Lijun Yuan, who joined CICDC in November 2024 as a Senior Course Administrator. With her on board, CICDC is more prepared to serve the increasing capacity development needs in China and countries associated with the Belt and Road Initiative. Thank you and enjoy the read.



Hui He
Director, CICDC

Overview of CICDC training from July to December 2024

1. Risk-Based Banking Supervision (BSO)

July 29 - August 2, Dalian

This course, jointly organized with the People's Bank of China (PBC) and delivered by the IMF Monetary and Capital Markets Department (MCM), provided guidance for supervisors to decide relevant supervisory priorities and early intervention measures to address bank fragilities through a combination of lectures, interactive workshops and role play exercises. The



course presented the fundamentals and goals of risk-based supervision (RBS), its challenges, and factors central to its success. It also introduced the RBS approach and challenges for effective implementation of RBS in prudential regulations and supervisory processes, RBS assessment methodologies of banks' financial soundness, with highlights on governance and risk management frameworks, as well as various risk domains including the credit, liquidity, market, and operational. 40 participants from the PBC, the National Financial Regulatory Administration (NFRA), and the

national banks and financial regulatory agency in Georgia, Mongolia, Pakistan, and Tajikistan, participated in the course.

2. Financial Markets and Instruments (FMI)

September 2-6, Dalian

This course, co-organized by the CICDC and the Chinese Securities Regulation Committee (CSRC), was delivered by the IMF Institute for Capacity Development (ICD). The course offered participants a foundation in financial instruments beyond the standard treatment of bonds. It covered forwards, futures, swaps, and options, and then combined these building-block instruments with practical applications. The course also devoted time for policy implications, notably related to regulation of financial markets.



Lectures introduced the underlying theory, while workshops and case studies allowed participants to apply the knowledge and to test their understanding of how and why some strategies are used. Also highlighted is misuse of financial instruments, which could lead to large losses and financial instability. Participants also prepared final presentations on current financial market issues. 37 participants from Chinese agencies, and 12 participants from Bangladesh, Hungary, Malaysia, Pakistan, Republic of Serbia, and Thailand, participated in the training.

3. Inclusive Growth (IG)

September 2-6, Shenzhen

This course was co-taught by experts from the ICD and Mr. Hui He, Director of the CICDC. Jointly organized with the National Development and Reform Committee (NDRC) of China, the course was participated by 24 officials from the NDRC headquarter and its provincial offices. The course aimed to increase participants' understanding of inclusive growth and give them analytical and operational tools to evaluate, measure, and monitor how macroeconomic policies can



affect growth, climate change, poverty, inequality, and job creation. Towards the end of the course, the counselors and participants visited the premises of BYD, a leading EV company headquartered in Shenzhen, and engaged in discussions with BYD representatives on the impact of technical innovations on vulnerable communities such as women and people with low income, the social responsibilities of enterprises amid technical innovations, and the company's experiences and reflections on green transition and climate change.

4. Selected Issues in the Evolving Financial Regulatory Framework (FRF)

September 9-13, Shenzhen

This course, presented by experts from the MCM, examined selected issues in the evolving financial regulatory framework and took a critical look at the evolving framework for banks. Topics included Basel III capital requirements, as well as macroprudential policies, regulation and supervision of climate-related financial risks, regulatory challenges around fintech, operational and cyber risk, and ongoing international regulatory discussions. The course paid special attention to



proportionality in bank regulation and supervision. It identified the main operational issues and challenges when implementing the Basel framework and provided practical guidance. Participants also engaged in interactive sessions to present on selected topics that reflect their country experiences. This course was co-organized by the CICDC and the PBC in Shenzhen. 23 participants from various branches and departments of the PBC and the National Financial Regulatory Administration (NFRA), and 10 participants from Cambodia, Vietnam, Pakistan, Hungary, and Belarus, joined the course. Mr. Hui He, Director of the CICDC, delivered welcome remarks at the opening session.

5. Bank Restructuring and Resolution (BR)

October 14-18, 2024, Shenzhen

This course, co-organized by the CICDC and the National Financial Regulation Administration (NFRA), took place in Shenzhen. 15 participants from the NFRA, Ministry of Finance, and the People's Bank of China, and 16 participants from Cambodia, Indonesia, Lao PDR, Mongolia, Pakistan, Sri Lanka, and Vietnam, joined the course. Presented by experts from the MCM, this course provided a comprehensive overview of conceptual and operational issues related to the restructuring and resolution of weak and failing banks. The course addressed topics including the identification and supervision of weak banks, operational preparedness, crisis containment, bank restructuring and resolution, and dealing with distressed assets.



6. Current International Issues in Tax Law Design (TLWD)

October 21-25, 2024, Shenzhen

This course, delivered by the IMF Legal Department (LEG), welcomed 43 participants from China, Bangladesh, Georgia, Indonesia, Malaysia, Pakistan, Sri Lanka, and Thailand participated in the course. The course addressed a wide range of issues on the agendas of today's tax policy makers and discussed the design of instruments to address those issues, including the tax challenges arising from digitalization. During the course, the counselors and course participants conducted a field trip



to the Tax Service Center of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, where they experienced the Center's range of smart and efficient tax service utilities and workflows. They also visited the headquarters of Huawei, where they observed from a corporate perspective how China's tax administration provides services to cross-border enterprises, and how the modernization of tax services brings practical impact to business operations. As a flagship course in collaboration with the State Taxation Administration (STA), the TLWD course has been delivered six times at the CICDC since 2018, with totally 206 participants from 35 countries and regions.

7. Balance of Payments and International Investment Position Statistics - Intermediate (BPIIPS-M)

October 21 - November 1, 2024, Dalian

This course, co-organized by the CICDC and the State Administration of Foreign Exchange (SAFE) in Dalian, was joined by 40 participants from China, including Hong Kong SAR and Macau SAR, and 14 participants from Cambodia, Kazakhstan, Lao PDR, Malaysia, Mongolia, Turkey, and Tajikistan. This course, presented by the IMF Statistics Department (STA), aimed at providing deep understanding of the concepts, data sources, and compilation techniques for balance of payments and IIP statistics and their application to address complex methodological issues. The course provided opportunities to discuss country cases with practical data compilation issues to allow peer learning and sharing of experiences. The course also examined challenges emerging from developments in global economy, and participants discussed how these challenges impact their compilation work.



8. Sovereign Risk and Debt Sustainability Framework for Market Access Countries and IMF Policies (SRDSF-MAC)

November 6-15, 2024, Dalian

This course was co-organized by CICDC and the PBC in Dalian and was delivered by the IMF Strategy, Policy, and Review Department (SPR), presented the IMF's Sovereign Risk and Debt Sustainability Framework (SRDSF) for Market Access Countries (MACs) through presentations, discussions, and exercises. Participants worked on exercises and real-life case studies and analyzed MAC SRDSF outputs. Participants were exposed to key features of the Sovereign Risk and Debt Sustainability Analysis (SRDSA) template in a guided manner during hands-on sessions, and worked in groups to consider scenarios and their implications for the evolution of debt vulnerabilities, and options to mitigate risks. 34 participants joined the course, including 16 from various agencies in China, and 18 from Angola, Bolivia, Ecuador, Pakistan, Mongolia, Suriname, and the Maldives.



9. Economic Issues in Regional Integration (ERI)

December 9-13, 2024, Dalian

This course was co-organized by the CICDC and the Ministry of Commerce (MOFCOM) of China in Dalian. The course was delivered by experts from the ICD. It aimed to broaden participants' understanding of economic, monetary, and financial integration and their impact on trade, investment, and economic growth within the region and on the global economy. Drawing on economic theory and on case studies from experiences in China and BRI countries, the course discussed "requirements" for economic, monetary, and financial integration, and examined the economic and political consequences of regional integration. The workshops deepened participants' knowledge of specific issues that might emerge in economic and monetary integration. 27 participants from 11 countries, including China, Belarus, Kazakhstan, Kyrgyz Republic, Lao PDR, Mongolia, Pakistan, Papua New Guinea, Turkmenistan, Uzbekistan, and Vietnam, joined the course.



10. Financial Sector Surveillance (FSS)

December 9-13, 2024, Shenzhen

This course, delivered by the ICD and co-organized by CICDC and the PBC in Shenzhen, introduced participants to key concepts and tools used in the identification and assessment of financial sector vulnerabilities and sources of strength. The course provided a basic toolkit to assess financial sector risks and measure them against existing capital and liquidity buffers in the financial system. The discussions focused on the early identification of macro-financial imbalances and the analysis of the transmission of financial distress across



institutions, markets, and economic sectors, with the objective of reducing the likelihood and the severity of financial crises. A combination of lectures and hands-on workshops allowed participants to apply essential risk assessment techniques. 46 participants from China, Indonesia, Malaysia, Mongolia, Pakistan, Thailand, and Vietnam, joined the course.

Voices from Participants

"The course was quite useful and was aligned with market practice. It helped me better understand the financial market and the emerging risks in the market. After the course, I often recall what was taught from the training and unconsciously started to question myself in thinking about what the regulators could and could not do in the face of, say market pricing or severe risks. I agree with the idea of the lecturer[s] that the course was mostly about establishing intuition. This course served its purpose and indeed would be really helpful as I move further into my future career."

Luo Dantong (FMI course participant)
China Securities Regulatory Committee

"The course was excellent, both in terms of content and the delivery of knowledge. It was well-structured and informative, making it easy to follow along and grasp the key concepts. The inclusion of interesting case studies added significant value, as they provided practical insights into real-world applications. Overall, the course not only deepened my understanding of the subject but also inspired me to think critically about how I can use this knowledge in my own work."

Enkhtulga Tsogtsetseg (BR course participant)
Bank of Mongolia

"That's the great course which updated information according to the topic, sharing information from different countries helped me to understand more about the development of financial situation in the world, how we act with the cyber security are quite similar to protect our customers and financial systems. Great campus environment and accommodation."

Nguyen Vu Phuong (FRF course participant)
State Bank of Vietnam

CICDC in numbers

In 2024, CICDC organized 19 courses in China and sponsored 2 courses at IMF's African Training Center (ATI) and Caribbean Regional Technical Assistance Centre (CARTAC). A total of 711 person times from 46 countries and regions (including Hong Kong SAR and Macau SAR of China) participated in CICDC's courses in China. The demographics of CICDC's course participants span across Asia, Africa, South America, Europe, and Oceania.

Upcoming courses from January to April 2025

- 1. Joint Assessor Training (JAT)**
March 3-7, Shenzhen
- 2. Macroeconometric Forecasting and Analysis (MFA)**
March 17-28, Shenzhen
- 3. Corporate Governance in Banking Supervision and Regulation (BRS)**
March 24-28, Shenzhen
- 4. Managing Capital Flows: Macroeconomic Analysis and Policies (MCF)**
March 24-April 3, Dalian



New Staff Member: Ms. Lijun Yuan

Lijun joined the CICDC in November 2024 as a Senior Course Administrator. With a solid background in international diplomacy, taxation, and education, she transitions from many years of working as a civil servant with the State Taxation Administration (STA) of China, where she played an instrumental role in fostering cooperation between the STA and international organizations, and in international capacity building and policymaking. During her tenure with the STA, she also served 2 years as the Tax Attaché at the Chinese Embassy in the U.S. She shares great passion for economic development and is committed to enhancing the global economic landscape through capacity development.

For information, please visit <https://www.imfcicdc.org/content/cicdc/en.html> or contact CICDCtraining@IMF.org.